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THE CURTAIN RISES ON TELECOMMUNICATIONS IN EASTERN EUROPE

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FOR TODAY'S COMPETITIVE PUBLIC NETWORK MARKET

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CURTAIN RISES ON TELECOM IN EASTERN EUROPE
By John Williamson, Steven Titch and Peter Purton. Although the need for new telephone networks is universal across Eastern Europe, the progress in introducing new technology is not. This country-by-country look gives you a peak under the lifting Iron Curtain, showing where they are going and what types of technology they expect to use
Computer-illustrated cover by Peter D. Hynes

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In a move to better respond to its customers, Southwestern Bell reorganizes its telephone operating companies

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The Independent plans to offer the cost-effective service as a gateway to existing fractional T-1 services from interexchange carriers

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By Larry Luxner. After half a century of repression, cut off from the rest of the world, Albania is now under democratic rule. One of the first steps for the new administration is to find foreign investment to help update the country's antiquated phone system

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By Carol Wilson. Mass marketing videotex may have turned out to be a pipedream for local exchange carriers. But believe it or not, LECs can make something big out of information services

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including a network interface device that sits on the customer premises and a D-4 channel bank plug-in card at the serving office. The service makes use of four-wire copper circuits and does not require repeaters.

Fractional T-1 service has been available from interexchange carriers for about a year for applications including videoconferencing, local area interconnection and high-speed mainframe connections. However, local access to those services has mainly called for costly T-1 circuits.

GTE will try to take advantage of the existing IXC fractional T-1 market by initially positioning its offering as an affordable access service to interLATA, interstate fractional T-1 services, Dormann said.

"We felt that the most pent-up demand for this type of service was as a complementary local access product for interexchange fractional T-1 offerings," he said.

GTE will roll out tariffs for interstate fractional T-1 beginning in California in August. Tariffs for Florida and North Carolina will follow in October, with eight more states slated to be on-line by the end of the year, Dormann said.

Then, in the first quarter of 1993, GTE plans to file tariffs for intraLATA fractional T-1, beginning in California and Florida and moving elsewhere based on demand, he added.

Pricing for the service has not yet been determined, but 384 kb/s—which Dormann called the "magic number" for videoconferencing and local area network interconnection—is expected to cost about 50% to 75% of a full T-1.

GTE's overall goal is to establish a portfolio of data services, Dormann said. For instance, fractional T-1 and emerging frame relay services cover much the same bandwidth range, but should appeal to different customers for different applications, Dormann said. Fractional T-1 may even be a good access service to IXC frame relay networks, he said.

"We don't want to force customers to build a network around any particular service or technology," he said. "We're trying to provide a whole portfolio of network services to fit their applications."

AT&T, NT slipping in international digital CO game

John Williamson, International Editor

Major North American digital central office switching vendors AT&T and Northern Telecom are the leading suppliers of digital switching in the world today. However, the two vendors are gradually losing ground to competitors including Alcatel, Ericsson, GPT and Siemens, according to a study released recently by Dittberner Associates of Bethesda, Md.

Looking at digital CO ports installed to date, Northern Telecom leads the way with 59.97 million ports, with AT&T (58.74 million ports) and Alcatel (57.29 million ports) following close behind. Alcatel, however, has surpassed both Northern Telecom and AT&T if system lines on-order are included in the calculations (see chart).

Overall, AT&T and Northern Telecom's leading competitors have made significant advances since Dittberner's last study in 1988. Ericsson has posted a 174% gain in digital lines installed, GPT 161% and Siemens 246%.

"The last few years has led to a truly astounding penetration rate of digital switching equipment for the world's telephone operating administration," said Donald Dittberner, president of the consultancy.

Including both in-service and on-order statistics, telephone companies worldwide have deployed more than 332 million digital switching ports, which represents a penetration of 53% of the total installed telephone access lines.

Significantly, a surprising number of countries, many not highly industrialized, are approaching 100% digital penetration.

These include Hong Kong, Malaysia, Morocco, Thailand, Tunisia and several Caribbean island nations. On the other hand, France, Canada and the United States, which were pioneering developers of digital switches, have subsequently achieved only 70% to 80% penetration.